

Issue 11 — November 14, 2002

In this issue:

- SWS asks for early look at anticipated expenditures
- A “perfect storm,” fiscally speaking
- As college costs soar, students are working longer hours
- Caught in fiscal crunch, Oregon cuts state grant program
- Maybe it’s talent, not college, that leads to financial success

SWS asks for early look at anticipated expenditures Survey, due Nov. 15, seeks to examine 2002-03 program spending trends

To ensure that as many students as possible will earn money through State Work Study (SWS) this year, Higher Education Coordinating Board staff has surveyed student employment administrators about their anticipated SWS expenditures.

The survey, due Nov. 15, asks SWS participating colleges and universities whether they:

- Expect to spend all of their SWS institutional allocation;
- Want to deobligate a portion of it for redistribution to other schools; or
- Would like to request additional 2002-03 funds.

The survey also asks SWS administrators to identify any trends leading to increased or decreased rates of spending in the program.

At the end of October, the SWS program had spent 26.6 percent of its 2002-03 appropriation. According to Betty Gebhardt, associate director for student financial aid at the Board, the program is on track to meet its goal of full expenditure by June 30, 2003. But because a small portion of the 2001-02 SWS went unused, program staff will



Higher Education
Coordinating Board

HECBFinancialAid@hecb.wa.gov

<http://www.hecb.wa.gov>

All material used
by permission.
Copyright laws apply.
The Higher Education
Coordinating Board
neither endorses nor
claims responsibility
for the accuracy
of information reported
from secondary sources.

manage the SWS expenditures very closely this year. The survey is the first of this year's fund management efforts. Institutions will be able to request funding increases or decreases later in the academic year.

The survey was part of a Nov. 1 memorandum outlining several program updates. If you'd like more information about the survey or other SWS program developments, contact Betty Gebhardt at bettyg@hecb.wa.gov or (360) 753-7852.

A "perfect storm," fiscally speaking

National journal profiles the economic and political storms converging on Washington's public higher education system

In *The Perfect Storm*, Sebastian Junger's non-fiction bestseller, three of the worst storms of the century bear down on the Eastern seaboard simultaneously, and chew to pieces a fishing vessel called the *Andrea Gail*.

As it endures its own perfect fiscal storm, Washington's higher education system may get as battered as the *Gail*. That, at least, is the assessment of an article in the Fall 2002 issue of *National CrossTalk*, published by the National Center for Public Policy and Higher Education.

In "Washington's Fiscal Storm," *CrossTalk* correspondent Kay Mills points to three forces grinding away at the state's higher education system:

1. All six of the state's public four-year universities and its 34 community colleges were overenrolled in 2001-02, and are again this year. Demand is expected to grow as more people move into the state.
2. Washington's sluggish economy is one of the worst in the nation. The economic picture in Washington presents its own kind of perfect storm as the state contends with the aftermath of the Sept. 11 attacks, Boeing layoffs, devastating forest fires, the 2001 Nisqually earthquake, the dot-com implosion, and a state budget deficit that exceeds \$2 billion. Last month, the state's unemployment rate became the highest in the country (which only increases demand for college and adds to enrollment pressures — see # 1).
3. Recent passage of several state initiatives has complicated legislative efforts to address the problems facing higher education. Several initiatives have limited taxes and state spending authority. Others have earmarked appropriations for specific efforts such as elementary and secondary education and prisons, leaving less for higher education and other state services.

Mills interviewed students, faculty, college administrators, legislators, state policy makers, and former governors Dan Evans and Booth Gardner. You can find the article on the journal's Web site: [National CrossTalk](#).

As college costs soar, students are working longer hours

Economic demands force some students into tough tradeoffs

To meet rising college costs, more students are working, and working longer hours, than ever before. For many, the demands of increased work is interfering with studies, according to an article in *CollegeJournal*, an online publication of *The Wall Street Journal*.

The number of full-time undergraduates with jobs rose from 64 percent in 1992-93 to 74 percent in 1999-2000. Their average weekly work schedules increased from 23.5 hours to 25.5 hours. During the same period, the percentage of full-time undergraduates working at least 35 hours a week rose from 14 percent to 20 percent.

The increased reliance on work goes hand-in-hand with huge tuition increases over the past two decades — 117 percent at public four-year schools, when adjusted for inflation. Meanwhile, financial aid increased by only 112 percent during this period, and the median family income rose by only 25 percent. Student loan and credit card debt has also risen substantially.

A number of students told *CollegeJournal* that the struggle to meet costs and avoid debt takes a toll on their ability to perform academically. Some reported “holding on for dear life” as they balanced rigorous courses with equally demanding work schedules by skipping classes and giving exams the short shrift. Others said they sometimes can’t get the courses they need at times that fit their work schedules.

The article is available online: [Students work overtime and sacrifice grades](#).

Caught in fiscal crunch, Oregon cuts state grant program

Our neighbor to the south is facing its own fiscal troubles, and needy college students are going to feel it, according to an Oct. 26 report in *The Oregonian*.

Faced with \$1.6 million in legislative cuts, the Oregon Student Assistance Commission will reduce the amount of the Oregon Opportunity Grant for the remainder of the 2002-03 academic year.

The cuts — expected to range from \$200 to \$550 per recipient — will affect 21,000 of Oregon’s neediest college students, according to the article. The grant is Oregon’s only state-supported financial aid program.

The article is no longer available online.

Maybe it's talent, not college, that leads to financial success

Forbes writer argues another view of census data linking earnings to education

Forbes magazine never shies from a contrarian view, which is no surprise to those who followed the presidential campaigns of its publisher.

This month, *Forbes* columnist Dan Seligman writes that the government "has no evidence that increased education will raise incomes," and the media blew it when they reported that a college degree leads to higher earnings.

At issue for Seligman is Census Bureau data that for decades has shown a corresponding relationship between greater income levels and increased educational achievement. In July, a Census Bureau press release touted its recent study that showed a "big payoff" from education.

Seligman contends that when the major media cited the Census Bureau report and concluded that increased education is a ticket to a better financial life, they missed one of the bedrock rules of statistical analysis: correlation is not causation.

For Seligman, the "powerful possibility" exists that people earn better incomes simply because they are already smart. "Smart people tend to want more education, and smart people are what employers are looking for."

In what appear to be his own efforts at inference and generalization, Seligman asks if it is "really clear that the country needs more education." A 35.5 percent remediation rate for first and second-year undergraduates seems to point to a lot of students who are in college and "shouldn't be there," he contends.

The *Forbes* story is online: [The story they all got wrong](#). The Census Bureau press release and report is also available: [Census Bureau report shows "big payoff" from educational degrees](#).